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RUEKJCS/SECDEF WASHINGTON DC
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UNCLAS HONG KONG 000232

SENSITIVE
SIPDIS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR
STATE ALSO FOR EAP/CM

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [CH](#) [HK](#)
SUBJECT: BLUE LANTERN LEVEL 3: UNFAVORABLE PRE-LICENSE
END-USE CHECK ON APPLICATION 050211346

REF: SECSTATE 8626

1. (SBU) SUMMARY: Per reftel request, Post conducted a pre-license end-use check on application 050211346 for the export of International Traffic in Arms (ITAR)-controlled transformer coupling devices to end-user Sinometer (Hong Kong) Co. Ltd. (Sinometer) and foreign consnee H&E Development Company Limited (H&E). Sinometer has no physical presence in Hong Kong and appears to be a trading/procurment entity with operations in Mainland China. H&E is a trading firm with operations in Hong Kong, Shenzhen, and Shanghai and denies any involvement in reftel transaction. In Post's assessment, Sinometer and H&E are not reliable recipients of reftel items or any other controlled technologies/equipment. This report also contains publicly available information on Sinometer, H&E, and their directors. END SUMMARY

End-User: Sinometer (Hong Kong) Co. Ltd.

2. (SBU) On February 1, Post's Economic Specialist attempted to make an appointment with Sinometer's Manager Wang Su Rong by calling the number provided in reftel request (755-8287-2662, Shenzhen, China area code). Economic Specialist was subsequently transferred to Wang's Mainland China cell phone number (86-138-0222-3818). Economic Specialist asked Wang to confirm Sinometer's Hong Kong address and phone number, as Post could not locate Sinometer through Internet or local phone directory searches. Wang admitted the Hong Kong address she provided with her license

application was that of Sinometer's Company Secretariat, an accounting firm in Hong Kong. Wang added that the accounting firm was Sinometer's representative in Hong Kong and also accepted mail/package deliveries on Sinometer's behalf. Wang confirmed she placed the order for reftel items and indicated the items would be used "maybe in Hong Kong or maybe the Mainland (China)." Wang was unable to meet as she "mostly worked in Shenzhen, China," but a Mr. POON at Sinometer's Company Secretariat could handle her business dealings upon her request.

Sinometer's Company Registry Information

3. (SBU) Following public information was obtained from the Hong Kong Companies Registry:

- a. Company Name: SINOMETER (HONG KONG) COMPANY LIMITED
- b. Company Registry Number: 0849272

- c. Company Type: LOCAL COMPANY
d. Incorporation Date: 11 JUN 2003
e. Company Status: PRIVATE/LIVE
f. Name History: ONLY ONE NAME (see 6.a above)
g. Registered Office (Address):
FLAT B 18/F LOYONG COURT COMMERCIAL BUILDING
212-220 LOCKHART ROAD
WAN CHAI, HONG KONG
h. List of Directors (two total, both PRC nationals):
- Name/Gender: GUANG, QUAN FEN (Male)
- Passport Number: G03974862
- Date of Birth: 10 JUN 1966
- Issuing Country: PEOPLE'S REPUBLIC OF CHINA
- Address: ROOM 1308 13/F BLOCK 5 CHAMPS ELYSEES GARDEN
NONG YUAN ROAD
FUTIAN DISTRICT
SHENZHEN, CHINA
- Name/Gender: WANG, SU RONG (Female)
- Passport Number: G03966174
- Date of Birth: 10 APR 1966
- Issuing Country: PEOPLE'S REPUBLIC OF CHINA
- Address: ROOM 403 BLOCK 71 YITIAN VILLAGE
FUTIAN DISTRICT
SHENZHEN, CHINA
i. Particulars of Company Secretary:
- Name: WONG, YU PO
- Hong Kong Passport: H00017658
- Hong Kong ID No: H353099(1)
- Date of Birth: 10 SEP 1953
- Address: FLAT F 19/F BLK 4 BAYVIEW GARDEN
633 CASTLE PEAK ROAD
TSUEN WAN
NEW TERRITORIES, HONG KONG

Visit to POON HONG YEUNG

¶4. (SBU) On February 3, EconOff paid an unannounced visit to Sinometer's registration address. The building's directory and the office's signboard indicated this was the location for Certified Public Accountant (CPA) POON HONG YEUNG. EconOff later determined subject POON, Hong Yeung was registered as a CPA at this address in Hong Kong's Special Supplement No. 4 to Government Gazette No. 24/2008.

¶5. (SBU) A male who identified himself as "FAI" answered EconOff's "door-knock" but did not allow EconOff to enter the small two-room office. After EconOff explained purpose of visit (i.e., to discuss aspects of Sinometer's licensing request), FAI asked for spelling of Sinometer's name and then searched for it among a set of nine company registration documents posted overtly on a board. After finding Sinometer's registration, FAI made several phone calls and then informed EconOff that Sinometer personnel were unavailable to personally meet; he could arrange a conference call at the office's conference room instead. EconOff declined that arrangement and asked that Sinometer representatives call EconOff directly to schedule a face-to-face meeting.

¶6. (SBU) EconOff also inquired about FAI's duties and the various company registration forms posted on the board. FAI admitted POON HONG YEUNG employed him for the provision of secretarial services to those companies. These included answering phone calls, responding to faxes, accepting and forwarding mail and packages, as well as other ad hoc services on behalf of the companies. (NOTE: POON HONG YEUNG's business model is legal and very common in Hong Kong. For a few U.S. dollars and in a matter of hours, one could register a business in Hong Kong, contract this type of secretarial/support services, and forgo the costs of maintaining a physical presence in the city. EconOff noticed

a similar operation in the neighboring flat. END NOTE)

Foreign Consignee: H&E Development Company (H&E)

¶7. (SBU) On February 1, Post's Economic Specialist called H&E at 852-2838-1977 and discussed reftel items with a Mr. Wong, H&E's General Manager. Wong denied H&E's involvement as the shipment's foreign consignee and further elaborated that H&E never placed any orders on Sinometer's behalf. He declined to meet with Post personnel.

¶8. (SBU) On February 3, EconOff again called H&E's Mr. Wong to inquire about H&E's purported relationship with Sinometer and H&E's mention on reftel items' DSP-5 (Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data). Wong admitted that H&E had once allowed Sinometer to utilize H&E's UPS shipping account as a favor to a mutual client. However, H&E ceased contact with Sinometer staff shortly after that occasion. Wong said Sinometer did not obtain approval to continue using H&E's name and its UPS account for reftel items. Wong again denied any involvement in reftel transaction but this time offered his availability for future inquiries in this matter.

H&E's Company Registry Information

¶9. (SBU) Following public information obtained from Hong Kong Companies Registry:

- a. Company Name: H & E DEVELOPMENT COMPANY LIMITED
- b. Company Registry Number: 0858550
- c. Company Type: LOCAL COMPANY
- d. Incorporation Date: 12 AUG 2003
- e. Company Status: PRIVATE/LIVE
- f. Name History: CHINESE NAME CHANGED IN APRIL 2006
- g. Registered Office (Address):

16/F WAH HEN COMMERCIAL BUILDING
381-383 HENNESSY ROAD
WAN CHAI, HONG KONG

h. List of Directors (two total, both Hong Kong ID card holders sharing same address in Hong Kong):

- Name/Gender: CHOW, YUEN KAM (Female)
- Hong Kong ID No: C382060(0)
- Address: FLAT A 18/F BROADVIEW TERRACE
40 CLOUD VIEW ROAD
NORTH POINT, HONG KONG

- Name/Gender: YU, FU KIN (Male)
- Hong Kong ID No: D167929(6)
- Address: FLAT A 18/F BROADVIEW TERRACE
40 CLOUD VIEW ROAD
NORTH POINT, HONG KONG

- i. Company Secretary: CHOW, YUEN KAM (details given above).
- j. Company website: www.h-e.com.hk

Conclusion

¶10. (SBU) In Post's assessment, Sinometer (Hong Kong) Co. Ltd. and H&E Development Company Limited are not reliable recipients of reftel items or any other controlled technologies/equipment. Documents obtained during end-use check were sent to Compliance Specialist Rachael-Therese S. Joubert-Lin at the Department's Directorate of Defense Trade Controls/Compliance (PM/DTCC).
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